

MOVING TO WORK

THE HATFIELD EXPERIMENT

HOUSING AUTHORITY OF PORTLAND

FY2005 ANNUAL PLAN

November 18, 2003

Approach to the Sixth Year Plan – the Community Context

The past year has seen further reductions in federal funding for Public Housing. The Housing Voucher program (Section 8) has also experienced serious challenges at the national level. We should expect the competing budget priorities to continue to squeeze funding out of established federal housing programs in the future.

HAP's Section 8 waiting list is currently 8,191, and its Public Housing waiting list is 3,064. On the other hand, our self-sufficiency program has grown from 382 participants in 2002, to 518 as of 9/30/03; and program graduates include over 100 first-time homeowners.

In this context - increasing demand for housing, yet dwindling funds - it is incumbent on HAP and the community to examine whether we are sharing those scarce resources in the most efficient and equitable manner.

With this in mind, the MTW Sixth Year Plan proposes to explore a variety of rent policy options that may create greater efficiency, spread scarce resources further, and promote more self-sufficiency among the people we serve.

Rent Policy Options

We hope to engage the community in a discussion of the pros and cons of various rent policy options, including:

- Reduced reviews for Elderly Households
- Flat rents
- Restructure of the Section 8 Subsidy
- Minimum Rents for non-elderly, non-disabled households (Carried over from MTW 4th year plan. Seniors and persons with disabilities would be exempt.)

Details of new possible policy options are given in the Plan. (The request to explore a minimum rent option was approved by HUD in the Year 4 Plan. The relevant section from the Year 4 Plan (Year 4 Plan, p. 16) is included verbatim in this Year's plan, for reference.)

Questions raised by these rent policy options will include:

- As federal support becomes more and more scarce, should HAP revise its disbursement systems to maximize efficiency, in order to assist more people, but with subsidy calculations that are less finely tuned to individual households' incomes?
- Are there services that can be provided outside HAP, which would further streamline our operations, yet remain responsive to the needs of our community?
- Can we provide incentives to self-sufficiency through revised rent policies, and remain positive, not punitive, in the process?

SIXTH YEAR PLAN

RENT POLICIES

NOTE: the following proposals are included for consideration by HAP's Board of Commissioners and the community, and none of them will be adopted until they have been widely reviewed, and approved by a resolution of the Board of Commissioners.

Reduce Reviews for Elderly Households

Section 8 and Public Housing will implement an alternate annual review schedule for elderly households. Since elderly households generally have stable incomes and only a modest cost of living adjustment in social security and/or pensions each year, it actually costs more to complete an annual income recertification review than HAP would make by increasing tenant rent. Starting with reviews due on April 1, 2004, Section 8 and public housing will complete income recertifications for elderly households every other year instead of annually. In order to do this, during the first year only, 50% of elderly households will be scheduled for another review in 2 years and 50 % will be scheduled for review in one year, thus evenly distributing the number of elderly reviews due each year.

Elderly households will still be subject to annual HQS inspections in both programs, in order to ensure that the household is living in a safe and sanitary environment. Also, elderly households who have significant changes in medical deductions will still have the option to request an interim adjustment at any time, as they do now.

In Section 8, approximately 10% of the program consists of elderly households. By moving to an every-other-year schedule for annual reviews, we will save approximately 400 annual reviews per year. This will free up valuable caseworker time on both the Eligibility and Communications team to provide higher quality customer service. It will also reduce visits to the office and telephone calls. It will also save us \$700 per year in postage costs associated with reviews and at least \$440 per year in printing costs. This system will also reduce the burden on elderly families, who tend to become anxious while completing their income reviews.

In Public Housing, approximately 500 elderly households could move to an every-other-year schedule, saving about 250 reviews per year if no interims are required.

lower of the payment standard for the bedroom size the person is in, the payment standard for the voucher, or the total amount of rent to owner plus tenant paid utilities, and that's the subsidy.

The proposed new formula would pay one amount for a one-person household, a higher amount for a two-person household, etc.

Potential Benefits of Proposal:

- By decreasing the amount of subsidy paid to some families, HAP would create additional vouchers and serve more people. (HUD is not expected to issue new vouchers in the foreseeable future.) By changing the way we distribute the funds available, HAP can make a bigger impact on our community by serving more people.
- The proposed system would replace a very complicated calculation system that is difficult to explain to tenants, landlords and the community. In fact, in the Section 8 customer service survey, the overwhelming majority of participants did not understand how their subsidy is calculated, causing confusion and distrust. With this system, any landlord, tenant or service provider would be able to understand the subsidy amounts.
- HUD identifies errors in income calculations as the number one waste of money in the voucher program. The calculation rules and lists of exclusions and deductions take up several pages in the regulations due to their complexity. The proposed system would eliminate the need to complete income calculations for a large segment of the program. Annual income reviews would still be done to ensure income eligibility for the program but they would be very simple to do.
- The proposed system would make it easier to budget. Annual Section 8 subsidy budget would not fluctuate based on economic conditions, making it easier to forecast available vouchers and anticipated funds.
- The proposed system would eliminate the benefit to participants of not working, and help us to assist appropriate households to become more self-sufficient.
- By reducing most interim reviews, HAP would cut down on the number of calls and walk-ins handled by the Communications Team and the reception desk, thus allowing more time to spend with participants, and decrease wait times. This would address clients' concerns in the Section 8 customer service survey that they feel rushed on telephone calls and walk-in visits.
- The reduction of interim reviews and easier calculations would free up more time for the Quality Control Coordinator to work on policy issues and special projects.
- For participants in the GOALS program, Total Tenant Payment would still be calculated as part of the annual review in order to update escrow amounts.

Potential Drawbacks of Proposal

- By moving to a set subsidy amount, HAP would eliminate interim reviews and thus remove protections to households who lose their income.
- Some elderly and disabled households have significant income deductions, and would be negatively affected if they were not able to claim these

Given the long waiting lists and shortage of alternative housing options for eligible people in Multnomah county, HAP proposes to gather and analyze information on the benefits and costs of operating the 30% of Income and Zero Minimum Rent policies; and to conduct a community discussion on the feasibility and desirability of adjusting the current policy to extend our housing opportunities to a greater number of qualified residents. Options include the introduction of a Minimum Rent regardless of Income; and the introduction of a graduated payment scale for non-disabled, non-elderly residents, intended to serve as an incentive to pursue and achieve greater self-sufficiency.

(This initiative by HAP will also take account of HUD's Rental Housing Income Integrity Program (RHIP). The RHIP goal is to reduce errors in rent calculation in assisted housing programs. The process of determining a tenant/ participant's rent is extremely difficult because of the many income and deduction rules. HUD is looking at ways to simplification of those rules. One option is to charge a fixed amount of a family's annual income for rent, i.e. make no deductions from income before determining rent. This should not only reduce errors but also cut the "transaction cost" for PHAs, since they would only have to determine and verify Income. As an incentive to promote self-sufficiency through employment, HUD is also looking at a model that would set rent based on a lower percentage for working families (and those who are disabled or elderly) and charge non working families a higher percentage of income for rent.) HAP does not have a preferred outcome in mind at this time. The intention in MTW Year 4 is simply to explore and examine both the current system and other potential options."

HAP will re-evaluate the Public Housing Minimum Rent option, along with the other options described above. Regardless of the decision, HAP is committed to exempting elderly and disabled from any Minimum Rent policy.

OCCUPANCY POLICIES

Alcohol and Drug-free Housing

HAP will explore the feasibility and utility of converting a selected PH development or developments for the exclusive use of families who agree to abide by a "No Use" condition of residence. HAP will fully comply with the conditions granted in the original HUD/HAP agreement. HAP will explore options including the engagement of a partnership, grantee, contractor or other appropriate party or legal entity to manage such housing.

Site-based waiting lists

HAP will develop a Public Housing Site-based waiting list policy during FY2005 subject to review by the community, and approval by the HAP Board and HUD. The goal is to implement Site-based waiting lists first with the New Columbia HOPE VI project as it comes back on line in 2005, and then expanding the concept as appropriate to other HAP Public Housing properties.

HAP should identify whether this is for people in recovery only or gen pop

SUPPORTING MATERIAL

Households Served

Under MTW, the agency must continue to serve essentially the same number and mix (bedroom distribution) of households as it would otherwise have served. HAP is committed to continuing to serve a high proportion of households with incomes that are less than 30% of the Area Median Income.

Under the Section 8 Housing Voucher Program, HAP intends to use our total Annual Contribution Contract to house as many families as the budget allows. The increase in income change from families who move from welfare to work has increased our ability to house more families.

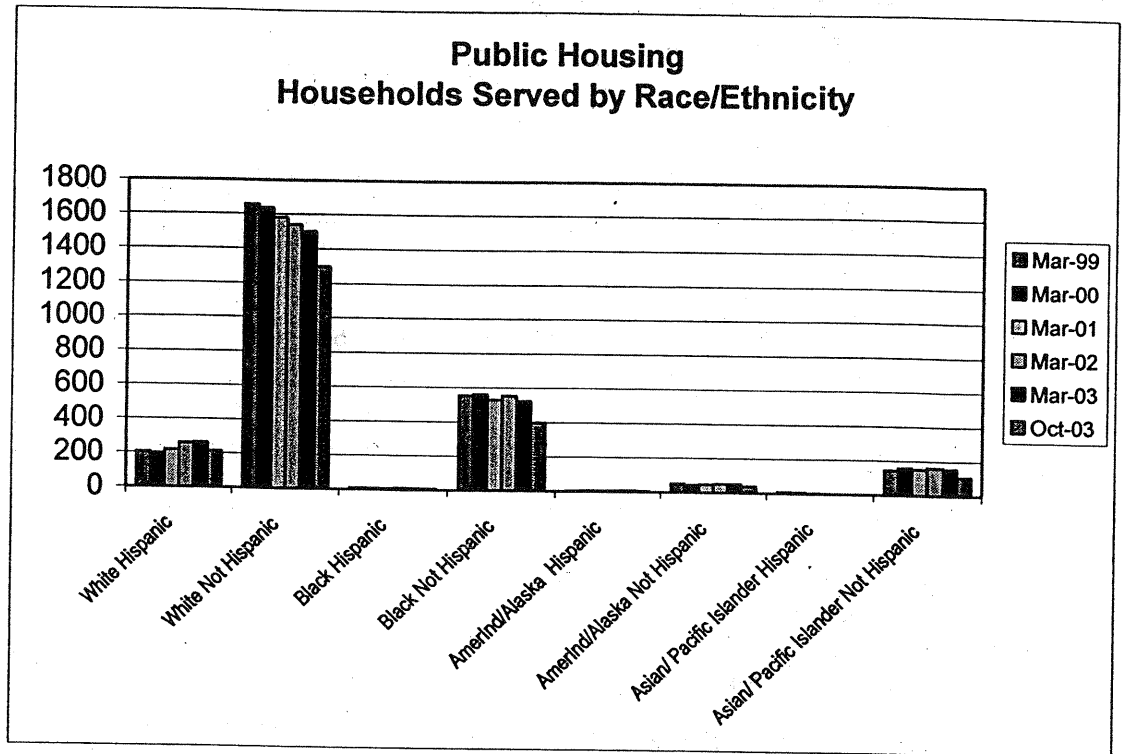
Households Served at Beginning of Period

HAP projects that it will continue to maintain maximum lease-up of Section 8 units during the next fiscal year. In Public Housing, HAP projects an increase of 30 households in the next fiscal year. This follows the dramatic reduction of almost 400 this year due to the demolition of 462 units and holding other units vacant for anticipated HOPE VI relocation needs.

Updated statistical information for the fiscal year ending March 31, 2004 will be included in HAP's Year Five MTW Annual Report to be completed during May 2004. Summary information on households served at the time of MTW plan development (mid-October 2003) is provided in the following tables and charts.

| MTW Households Served on 10/15/2003 | | | | | | |
|-------------------------------------------|------------------|--------------|------------|------------|-----------|----------|
| Program | Total Households | Bedroom Size | | | | |
| | | Studio/1 BR | 2 BR | 3 BR | 4 BR | 5+BR |
| Public Housing | | | | | | |
| Family/ Scattered Site Developments | 812 | 39 | 362 | 391 | 20 | 0 |
| Elderly/Adult Developments | 1,299 | 1,288 | 11 | 0 | 0 | 0 |
| TOTAL | 2,111 | 1,327 | 373 | 391 | 20 | 0 |

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Section 8 Households Served 12-31-2002 By Race and Ethnicity

| | Hispanic | Not Hispanic | Totals |
|-----------------------------------|----------|--------------|--------|
| White | 219 | 3,503 | 3,722 |
| Black | 21 | 1,816 | 1,837 |
| American Indian/ Alaska Native | 13 | 89 | 102 |
| Asian/Pacific Isl | 2 | 353 | 355 |
| Totals | 255 | 5,761 | 6,016 |

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Characteristics of Households on Waiting Lists

The table below shows the number and characteristics of applicants currently on the Public Housing and Section 8 waiting lists in mid-October 2003.

Waiting List Data – 10/15/2003

| Program | Total Applicants | Bedroom Size | | | |
|-----------------|------------------|------------------|-----------|-----------|-------------|
| | | Studio/1 bedroom | 2 bedroom | 3 bedroom | 4-5 bedroom |
| Public Housing | 3,064 | 1,136 | 1,510 | 308 | 110 |
| Family Elderly | 1,872 | 40 | 1,429 | 295 | 108 |
| Disabled | 171 | 145 | 22 | 4 | |
| Single or Blank | 972 | 906 | 57 | 7 | 2 |
| | 49 | 45 | 2 | 2 | |

Section 8

| | | | |
|--------------------------------------|--------|------------------|-----------------------------------|
| Tenant-Based Family/Elderly Combined | 8,191 | BR sizes unknown | HAP uses random selection process |
| SRO/MOD | 148 | 148 | |
| Total Section 8 | 12,030 | | |

Note: HAP uses a lottery for Section 8 applicants and only opens its waiting list when the pool is low. The most recent opening was September 30 to October 4, 2002 and almost 9,000 applications were received. HAP only accepts SRO applications in our office for the following buildings: Jefferson West, and Musolf Manor. Following our 2nd year MTW plan, SRO applications are now accepted at the following buildings: The Beaver, Sally McCracken, Hatfield, Barbara Maher, Fairfield, Biltmore and the Rose Apartments.

The public housing waiting list for studio/1- bedroom apartments was closed on December 1, 1998 to those who are under age 62 and not disabled. After an intensive community review process, applications were suspended on August 1, 2002 under the old special priority system for the terminally ill, applicants working with special needs agencies, and those completing the Ready To Rent program. A new system will be implemented after the remaining 300 applicants still in the pipeline under Priority Groups 1-4 have been processed. Until implementation of the new system, additional applicants can continue to apply and will be prioritized according to date and time of application.

Applicant data on incomes and race/ethnicity will be submitted with HAP's Fifth Year MTW Annual Report to be completed during May 2004.

Number Projected to be Served this Year

HAP projects a net increase of 30 households served in Public Housing in the next fiscal year. This follows the dramatic reduction of almost 400 this year due

Occupancy Policies

Statement of Eligibility and Admission Policies

HAP administers its waiting list in accordance with its Admissions and Continued Occupancy Policy, which was last revised by the Board of Commissioners on March 18, 2003. The major provisions are as follows:

- HAP maintains separate waiting lists for Section 8 and Public Housing programs.

Section 8:

- Since June 1, 1999 HAP has begun to implement a re-designed tenant-based Section 8 Program providing only Voucher assistance. Section 8 will admit Voucher applicants by random selection. The project-based program will remain unchanged with SRO applicants admitted according to date and time of application. Section 8 utilizes five priorities:
 - A) Households which are special need populations or clients of special agencies, or households that are participating in the Witness Protection Program;
 - B) Households which are currently residing in units receiving funds from the Rental Rehabilitation Program;
 - C) Households with a member of the household having a documented terminal illness (life expectancy 12 months or less);
 - D) Households which would be eligible for funding targeted for specific families, e.g. Homeless Families Program;
 - E) Households which are receiving HAP assistance, but can no longer be appropriately served in the other program.
- HAP conducts criminal background checks on prospective Section 8 households. The landlord determines the voucher holder's potential suitability as a tenant.

Public Housing:

- Applicants are admitted according to date and time of application and priority. HAP will implement its new priorities during the coming year. They will be as follows:
 - A) Elderly or disabled households, and eligible for the Congregate Housing Services Program (CHSP);
 - B) Eligible Family and Elderly households and a member of the household has a documented terminal illness; and
 - C) Eligible Family and Elderly households with severe housing need (homeless, experiencing domestic violence, or having a high rent to income ratio) and either referred by a participating agency, or whose head of household is a graduate of the Ready to Rent program.
 - D) All other Eligible Family and Elderly households (in date and time order).
- Applicants are offered the unit that has been vacant the longest. If the applicant refuses two unit offers without good cause, their application is cancelled.
- For public housing, HAP conducts criminal background checks on all applicants aged fifteen and older, and obtains landlord and/or professional references for all households.

Sources and Amounts of Funding

This section identifies sources and amounts of funding included in the MTW Consolidated Budget Statement. The MTW Consolidated Budget Statement includes Public Housing, Capital Fund, and portions of the Section 8 voucher program.

A. Sources and Amounts of Funding included in the MTW Consolidated Budget Statement for FYE 2005:

| Sources of Funds | Budget Estimates |
|--------------------------------------|---------------------------|
| Rental Income | \$ 4,981,556 ^o |
| HUD Contributions: | |
| Section 8 Subsidy | 40,903,202 |
| Operating Subsidy | 7,258,653 |
| Capital Fund Subsidy - Operations | 3,000,000 |
| HUD Grants | 81,664 |
| Non Rental Income | 373,168 |
| Total Operating Income | \$56,598,243 |
| Capital Fund Subsidy – Modernization | 4,724,671 |
| Interest Income on Investments | 85,755 |
| Total Funding Sources | \$61,408,669 |

B. Sources, amounts, and planned uses of special purpose funds outside the Consolidated Budget:

FYE 2005 estimates of special purpose funds outside the MTW Consolidated Budget include \$366,412 HUD Subsidy, \$1,431,466 HUD Grants, \$137,578 Non-HUD Grants, and \$106,685 Other In-kind Revenue. Planned uses of these funds are for various Housing Services and Community Relations programs.

Uses of Funds

This section identifies uses of funding included in the MTW Consolidated Budget Statement. The MTW Consolidated Budget Statement includes Public Housing, Capital Fund, and portions of the Section 8 voucher program.

A. Previous year estimated expenditures by line item (FYE ending 03/31/2004, six-month-actuals annualized):

| Uses of Funds: | Previous year expenditures |
|-------------------------------------|----------------------------|
| Labor Expense | \$ 9,679,589 |
| Operating Admin Expense | 3,904,530 |
| Tenant Services | 32,030 |
| Utilities | 2,270,630 |
| Maintenance | 968,352 |
| Housing Assistance Payments | 37,898,280 |
| General Expenses | 573,949 |
| Total Operating Expenditures | 55,327,360 |
| Non-Operating: Capital Improvements | 4,724,671 |
| Total Uses of Funds: | \$60,052,031 |

B. Planned expenditures by line item (Budget FYE 2005):

| Uses of Funds: | Planned expenditures |
|-------------------------------------|----------------------|
| Labor Expense | \$ 10,214,325 |
| Operating Admin Expense | 3,660,048 |
| Tenant Services | 33,730 |
| Utilities | 2,573,428 |
| Maintenance | 1,282,744 |
| Housing Assistance Payments | 37,350,009 |
| General Expenses | 543,540 |
| Total Operating Expenditures | 55,657,824 |
| Non-Operating: Capital Improvements | 4,724,671 |
| Total Uses of Funds: | \$ 60,382,495 |

D. Adequacy of Reserves

MTW Operating Reserves (Table A.)

| Table A. Operating Reserves | FY2005 Estimated Beginning of Year | FY2005 Estimated Increase/ Decrease | FY2005 Estimated End of Year |
|--------------------------------------------|-------------------------------------------------------|--------------------------------------------------------|---------------------------------------------|
| Public Housing | 3,676,665 | (526,111) | 3,150,554 |
| Section 8 | 2,080,753 | (259,256) | 1,821,497 |
| Total MTW | 5,757,418 | (785,367) | 4,972,052 |

Project Reserves (Table B.)

The MTW Amendment was approved by HUD in March 2003, and provided for the retention of HAP of any remaining funds in the HAP-held two-month project reserve created when the MTW program was established.

Project reserve funds illustrated below represent HAP-held reserves only. HUD-held reserves have not been determined by HUD as of the date of this report.

| Table B. Project Reserves | FY2005 Estimated Beginning of Year | FY2005 Estimated Increase/ Decrease | FY2005 Estimated End of Year |
|------------------------------------------|-------------------------------------------------------|--------------------------------------------------------|---------------------------------------------|
| Section 8 | \$3,082,655 | \$40,980 | \$3,123,635 |

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Management Information for Public Housing

Vacancy Rates

| Property | ACC Units | Units Available | Vacancy Rate 9-30-03 |
|---------------------------------|-----------|-----------------|-------------------------|
| ph101 - Columbia Villa | 424 | 418 | 94.3% |
| ph103 - Iris Court | 51 | 47 | 23.4% |
| ph104 - Northwest Tower | 174 | 165 | 5.5% |
| ph105 - Hillsdale Terrace | 60 | 53 | 13.2% |
| ph106 - Hollywood East | 286 | 286 | 3.8% |
| ph107 - Royal Rose Court | 36 | 36 | 5.6% |
| ph108 - Peaceful Villa | 70 | 70 | 0.0% |
| ph109 - Royal Rose Annex | 9 | 9 | 11.1% |
| ph110 - Sumner Court | 9 | 8 | 0.0% |
| ph111 - Dekum Court | 40 | 38 | 5.3% |
| ph113 - Tamarack | 120 | 120 | 2.5% |
| ph114 - Dahlke Manor | 115 | 113 | 5.3% |
| ph115 - Holgate House | 80 | 79 | 1.3% |
| ph116 - Sellwood Center | 110 | 110 | 7.3% |
| ph117 - Schrunk Riverview Tower | 118 | 116 | 4.3% |
| ph118 - Williams Plaza | 101 | 100 | 14.0% |
| ph121 - Fir Acres | 32 | 31 | 19.4% |
| ph122 - Townhouse Terrace | 32 | 30 | 0.0% |
| ph123 - Stark Manor | 30 | 29 | 6.9% |
| ph124 - Lexington Court | 20 | 20 | 15.0% |
| ph125 - Eastwood Court | 32 | 30 | 10.0% |
| ph126 - Carlton Court | 24 | 24 | 16.7% |
| ph131 - Slavin Court | 24 | 24 | 12.5% |
| ph132 - Demar Downs | 18 | 18 | 0.0% |
| ph137 - Gallagher Plaza | 85 | 84 | 4.8% |
| ph138 - Eliot Square | 30 | 29 | 6.9% |
| ph139 - Medallion Apts. | 92 | 89 | 7.9% |
| ph140 - Ruth Haefner Plaza | 73 | 72 | 8.3% |
| ph142 - Celilo Court | 28 | 26 | 7.7% |
| ph151 - Tillicum South | 12 | 12 | 16.7% |
| ph152 - Harold Lee Village | 10 | 10 | 20.0% |
| ph153 - Floresta | 20 | 20 | 5.0% |
| ph203 - Maple Mallory | 48 | 46 | 6.5% |
| ph205 - Columbia Villa Addition | 38 | 36 | 91.7% |
| ph232 - Bel Park | 10 | 10 | 10.0% |
| ph236 - Winchell Court | 10 | 10 | 0.0% |
| ph237 - Powellhurst Woods | 34 | 32 | 9.4% |
| ph251 - Tillicum North | 18 | 18 | 5.6% |
| ph252 - Hunter's Run | 10 | 9 | 11.1% |
| ph332 - Camelia Court | 14 | 14 | 0.0% |

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Emergency Work Order Response Times

| | FY99 4-1-98 through 3-31-99 | FY2001 Actual | FY2002 Actual | FY2003 Actual | FY2004 Projection | FY2005 Projection |
|---------------------------------------------|-----------------------------------|------------------|------------------|------------------|----------------------|----------------------|
| TYPE | Emergency | | | | | |
| Total Number | 583 | 407 | 509 | 487 | 371 | 570 |
| Percent Meeting 24 Hour Response Goal | 99.3% | 99.0% | 100.0% | 99.9% | 99.0% | 99.0% |

Non-Emergency and Routine Work Order Response Times

| | FY99 4-1-98 through 3-31-99 | FY2001 Actual | FY2002 Actual | FY2003 Actual | FY2004 Projection | FY2005 Projection |
|----------------------------|-----------------------------------|------------------|------------------|------------------|----------------------|----------------------|
| TYPE | Non-Emergency | | | | | |
| Total Number | 17,429 | | | | | |
| TYPE | Routine | | | | | |
| Total Number | 12,315 | 13,025 | 12,552* | 12,282 | 8,979 | 10,500 |
| Average Completion Days | 6.4 | 6.4 | 5.3 | 5.5 | 6.5 | 6.5 |

The first column represents fiscal year 1999, approximately half of which occurred before preventive maintenance began and half afterwards.

*HAP changed the database system for tracking work orders in October, 2001. Totals and average for the first half of FY2002 used an estimating procedure to eliminate duplicate work orders in the old data system, rather than spending additional staff time to manually count them.

The projections for FY2004 anticipate the HOPE VI demolition of 17% of current Public Housing units midway through the fiscal year. The FY2004 projections include one-third of the FY2003 projected totals for those two developments. The FY2005 projection is an estimate based on data for the first nine months of calendar 2003 (excluding Columbia Villa).

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respond to criminal activity, and provide landlord training and education regarding rights and responsibilities.

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quarterly newsletter for landlords. Periodic mailings to landlords and program participants are sent as needed. HAP has an award-winning Landlord Committee which finds ways to market the program and improve landlord relations. HAP created a comprehensive landlord manual explaining the program and procedures. Landlord trainings and conferences are held 4-6 times per year on topics such as tenant screening, lead abatement, and property maintenance. HAP is a partner in the "Ready to Rent" program. We have a Landlord Hotline and e-mail address to solicit landlord feedback or request information. HAP's electronic bulletin board on our website lists dozens of vacancies in the county and is updated weekly. Landlords may also post vacancies on HAP's website free of charge. The Section 8 Communications Team provides immediate service to respond to landlord and tenant questions. This team also provides information on a tenant's previous rentals to help background checks go more quickly.

- **Deconcentration of low-income families**

For the next fiscal year, HAP plans to continue the deconcentration initiatives documented in the Fourth Year Moving To Work Annual Report: HAP evaluates its voucher payment standards twice a year. Currently all payment standards are set between 95% and 110% of fair market rent. HAP maintained information by census tract on its previous computer system. In the new system it is only kept by zip code. HAP uses time in its briefing sessions to discuss the benefits of moving to neighborhoods with a low rate of poverty, and also encourages participants to explore areas of the county outside of the City of Portland. HAP also has a simplified portability procedure. Over the next year, HAP plans to further improve the information given to Section 8 participants and to conduct extensive marketing and outreach to neighborhoods in lower poverty areas.

B. Inspection Strategy

HAP continues to employ the same overall inspection strategy recorded in the Fourth Year Moving to Work Annual Report: HAP performs four major inspections for Section 8 leased housing programs:

Initial or Transfer (Pre-contract)
Annual
Quality Control
Special (Complaint)

HAP inspects 100 percent of its Section 8 units annually. HAP policy requires that Section 8 landlords must meet HQS standards initially and annually thereafter as long as the participant family resides in the unit.

HAP Section 8 plans to expand its building inspection program during the coming year. In accordance with the Year One MTW plan, HAP began doing one whole building inspection each year rather than going out to the building multiple times.

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will increase from 13,426 to 14,900 from FY2003 to FY2004. The table below gives a breakdown of projected inspections by type.

Projected Inspections Scheduled by Type

| | FY2000 | FY2001 | FY2002 | FY2003 Projected | FY2004 Projected |
|---------------------|---------------|---------------|---------------|---------------------|---------------------|
| Initial/Transfer | 2,499 | 4,773 | 3,280 | 3,120 | 3,670 |
| Annual | 6,764 | 6,393 | 8,309 | 9,220 | 9,770 |
| Project-Based | 962 | 723 | 862 | 778 | 1,038 |
| Quality Control | 151 | 216 | 430 | 153 | 374 |
| Special (Complaint) | 135 | 71 | 74 | 155 | 48 |
| TOTALS | 10,511 | 12,176 | 12,955 | 13,426 | 14,900 |

| | FY2002 | | | FY2003 Projected | | | FY 2004 Projected | | |
|---------------------|--------|------|---------|------------------|------|---------|-------------------|------|---------|
| | Pass | Fail | No Show | Pass | Fail | No Show | Pass | Fail | No Show |
| Initial/Transfer | 68% | 30% | 2% | 70% | 28% | 2% | 70% | 28% | 2% |
| Annual | 69% | 21% | 9% | 60% | 35% | 5% | 60% | 35% | 5% |
| Project-Based | 90% | 9% | 0.2% | 90% | 9% | 1% | 90% | 9% | 1% |
| Quality Control | 81% | 11% | 8% | 75% | 20% | 5% | 75% | 20% | 5% |
| Special (Complaint) | 61% | 39% | 0% | 70% | 29% | 1% | 70% | 29% | 1% |

Resident Programs

Self-Sufficiency Programs: During the Sixth Year of Moving to Work, and in line with community partner requests, HAP is exploring options for program expansion. These options include potential funding which may be available through MTW-generated savings, if any, and options for private community support.

Resident Services Coordination: During the Sixth Year of MTW, HAP is continuing its commitment to Resident Service Coordination in its high-rise developments for elderly and disabled populations, and a limited number of family developments. HAP is exploring options for non-traditional funding and partnerships to continue these essential services, including funding which may be available through MTW-generated savings.

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| Future Projects, Cont'd. | Work Items | Estimated Cost |
|-------------------------------|------------------------------------------|------------------|
| All Highrises (exc. Sellwood) | Move interior trash systems to exteriors | 900,000 |
| Hillsdale Terrace | Concrete retaining walls | 100,000 |
| Hollywood East | Boilers Relined | 50,000 |
| Iris Court | Office electrical upgrades | 250,000 |
| Maple Mallory | Interiors | 300,000 |
| Maple Mallory | Electrical upgrades | 760,000 |
| Future Projects Total | | 4,379,500 |

The above-listed work is shown in the current priority order (except for the items on this page) and is dependent upon the amount of the annual Capital Fund Grant from HUD to HAP.

MOVING TO WORK

HOUSING AUTHORITY OF PORTLAND FY2005 ANNUAL PLAN

Public Hearing

**Held before the Board of Commissioners
of the Housing Authority of Portland
at
6:30 p.m, November 18, 2003
501 SE Hawthorne Boulevard, Portland Ore.**

Record of Public Testimony

Testimony of Steve Weiss

Chair, 504 Disability Advisory Board for the Housing Authority of Portland

Mr. Weiss observed that 504 Board members feel that HAP's Board of Commissioners has been supportive of person with disabilities in the past, and he looks forward to this support continuing. He appreciated that HAP intends to conduct a public involvement process prior to reaching any conclusion about key proposals in the FY2005 Plan.

Speaking personally, Mr. Weiss expressed his opposition to the implementation of Minimum Rents for the non-elderly and non-disabled persons. He noted the loss of General Assistance funding caused by State budget cuts, which has affected the number of households that have zero income.

He also expressed serious doubts about HAP's proposal to explore a restructuring of the Section 8 subsidy calculations.

Mr. Weiss looks forward to the opportunity to participate in the community review process, noting the Plan's intention to remain "positive, not punitive."

Testimony of Micky Ryan

Attorney, Oregon Law Center

Ms. Ryan represents people with housing problems.

Ms. Ryan commented that while she appreciates the efficiency and potential savings produced by reducing reviews for elderly households, she would like HAP to ensure that this does not deprive an elderly tenant from receiving a review when s/he needs it, or when a given situation changes.

Ms. Ryan observed that Flat Rents would appear to be expensive to implement, and she expressed concern lest it might result in a situation wherein a given tenant, having opted for Flat Rent, might fail to make payments due to reduced income.

Ms. Ryan commented that the proposal to restructure Section 8 subsidy calculations could create severe problems for people with high medical expenses. She also opposed the imposition of Minimum Rents, especially in the light of other cuts that have been made in services to Very Low Income people. Ms. Ryan raised questions about the conversion of Public Housing to Alcohol- and Drug-free Housing, noting that it would be necessary to do a careful evaluation of the quantity of such housing already in existence in the community. Finally, Ms. Ryan commented that the proposal to develop a Public Housing site-based waiting list should not result in any reduction in choice for applicants.

Bobby Weinstock

Northwest Pilot Project

While agreeing with many of the goals outlined in the Plan, notably the goal of simplification of requirements, Mr. Weinstock observed that there could be a potential source of disagreement about the way those goals are reached. He concurred that it is healthy to have public discussions concerning Rent Policies, but particularly wanted to draw attention to the wide range of income levels of people on the Section 8 and Public housing wait lists. He emphasized that HAP best serves the community by focusing on the people that no other entity can serve – the poorest of the poor. He advised that HAP should not attempt to do everything for everyone, because such an approach could do a disservice to all. He urged HAP to respect Tenant Choice; and, as less and less federal support is made available, to not try to squeeze more rent from people who can least afford it.

Mr. Weinstock expressed his confidence that the community process would provide further opportunity for discussion, leading to a fair and balanced public policy.

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Micky Ryan, Staff Attorney
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November 18, 2003

Housing Authority of Portland
135 SW Ash Street
Portland, OR 97204

RE: Comments on the Moving to Work FY 2005 Annual Plan

I am submitting the following comments on the proposed MTW FY 2005 Plan, based on the review I have been able to do of the plan since I received it last Thursday, November 13. I have not had sufficient time to research the ideas contained in the plan, some of which I believe HAP is raising for the first time.

1. Reduced reviews for elderly households- Reducing the time that tenants and HAP spend on reviews is a good idea, as long as the tenant can ask for a review whenever their situation changes and understand that they have this right.

2. Flat rents - It would not seem to make sense to do this if, as HAP reports, it is rarely used by tenants elsewhere. It will take time and money to create the system, train employees, and especially to do the important work of explaining it to HAP tenants. This seems like a costly effort for HAP. It appears that the decision to choose flat rents is voluntary on the part of the tenant. My concern is that tenants will misunderstand it, choose this option, and later lose their income. Would HAP really evict these families for non-payment?

Even if no one uses it, it will take an incredible amount of time and effort for HAP to create a system and explain it to staff and tenants. This would appear to be a huge waste of money.

I don't know if they already have a similar program through GOALS or some other current HAP program, but it would appear to make sense to try such a system first among a small group of tenants who are receiving the education, training and services necessary to permanently increase their income.

3. Restructuring Section 8 Subsidy Calculations- this proposal will be very bad for anyone with high medical expenses, and would seem to have a disparate impact on people with disabilities. If HAP is committed to helping those persons most in need of help with their rent, this change would not support that goal.

4. Minimum rents- The community has consistently opposed minimum rents. HCDC was concerned with this when HUD first permitted it, and again when HAP came to HCDC seeking support for the MTW proposal. Particularly with the severe cuts in the GA program, this is another example of a proposal that seems at odds with HAP goals.

November 18, 2003

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Alcohol and (illegal) drug free housing- I have a concern about the proportion of our subsidized and assisted housing stock that is A and D free. The community needs to do further study on the status of the current housing stock. If HAP takes the position that it is a HAP priority to serve people in recovery in A and D housing, increasing the amount of A and D free housing will make it harder for those people without addictions to get in to housing. If it is not limited to people in recovery, persons who are not in recovery may have to choose to live in housing where they can't have a beer while they watch the football game on TV (or even if they don't, where their friends can), if that is the only housing available when they reach the top of the waiting list.

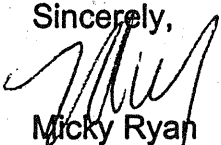
This also raises the issue of people who legally use medical marijuana, and whether they are going to be restricted in their housing options because of A and D restrictions.

Site based housing- It is an appealing idea that tenants in public housing could have a choice in where they live. However, the proposals that I have heard would be costly, and I believe possibly ineffective. I don't think that people should choose their sites when they get on the list because chances are they might change their mind during the several years they are on the list.

Perhaps a better proposal would be that everyone go on one waiting list (like they do now) based on time and date of application. When they get to the top, they would have the option of taking the first available housing, so that they can immediately move into subsidized housing if they have an immediate need for subsidized housing. If they do not like what is available, they could choose wait for buildings that they would want to wait for, and be added to those "site based" lists at that time. This means that people are making decisions based on current needs and options, and not trying to predict their housing needs.

As HAP states in the plan, there needs to be tremendous community input and discussion before any of these major changes is made. I am not sure why they are being raised in the MTW plan before discussion happens. HAP needs to provide ample time for community review before any of these proposals is adopted.

Sincerely,


Micky Ryan
Attorney at Law



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LEGAL AID SERVICES OF OREGON

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Hannah Callaghan
Attorney at Law
Hannah.Callaghan@lasoregon.org

November 24, 2003

Housing Authority of Portland
135 SW Ash Street
Portland, Oregon 97204

Re: Moving to Work Sixth Year Plan

This office represents low-income clients in Multnomah County. My area of expertise is in the housing area. I have been an attorney for Legal Services of Oregon for twenty-four years. I attended the Hearing on November 18, 2003, and I have read the proposal and want to submit the following comments on the proposed plan on behalf of this office.

Reduce Reviews for Elderly Households: no objection, as long as there still are the annual HQS inspections, and that if the income of the household decreases the tenant can ask for an interim review.

Flat Rents: As we understand the proposal, HAP would be implementing the *option* for tenants to choose flat rents. We agree with Ms. Ryan that this seems to increase the administrative costs for HAP without reaping the benefits. Generally for our clients, the option of having rent based on a percentage of income is the best option.

Restructuring of Section 8 Subsidy Calculations: We would oppose this on behalf of our clients. The benefits to tenants under the Section 8 program have been greatly reduced over the years---no good cause after the initial term, most "initial terms" are only one month, rent can be more than 30% of your adjusted gross income, etc. Although your motivation is commendable, basing rents on income amounts is essential to this program, and one of the few benefits left. To change the rent structuring would have a devastating effect on the average low-income recipient who is not elderly or disabled. What keeps the majority of our clients in this type of housing is that there is this protection for tenants who lose income, particularly for singles who receive precarious government assistance like General Assistance or TANF. HAP cannot possibly serve all the people who want/need your help, so it might be better to serve a few well, rather than serving more people with a little bit of money.

Minimum Rents: We oppose this for a variety of reasons as did the others who spoke at the Hearing. There are too many exemptions or special circumstances that would require "exceptions", and it would create more of an administrative nightmare to administer and enforce. It is inhuman for people to have to sell their blood to pay their rent.

We would also oppose charging nonworking families a higher percentage in rent than working families. This would only serve to punish people who for the most part cannot help their lack of job opportunities or ability to increase their incomes. You would also be punishing people for their *source of income*, even though both state and federal law prohibit treating someone differently due to their source of income in the fair housing arena. Many people who do not have employment are undiagnosed people with disabilities. This could also open up another area of unintentional discrimination to protected class members.

Alcohol and Drug Free Housing: We would oppose this idea. To make this an additional eligibility criterion for people to be admitted into subsidized housing only reduces the availability of low-income housing for poor people. It would also be more of an administrative hassle to run such housing, enforce the rules, determine eligibility, etc. Many poor people either would not qualify or don't want to live in drug and alcohol free housing. To create more such housing would greatly reduce the already limited supply of housing for low-income people.

Site-based Waiting Lists: We agree with Ms. Ryan. Due to the limited stock of subsidized housing, it will take a very long time for someone to reach the top of the waiting list. If they are also limited as to which buildings they are waiting for in particular, the wait could be even longer. Ms. Ryan's idea of one wait-list with applicants, when their name comes to the top of the list, choosing either to take what is available or opting to continue to wait by putting their names on the wait-list for a particular building or building, seems more efficient and fair.

Thank you for the opportunity for input on your proposal. If we can be of further assistance, please do not hesitate to contact the undersigned.

Sincerely,

A handwritten signature in cursive script, appearing to read "Hannah Callaghan", followed by a horizontal line.

Hannah Callaghan
Attorney at Law



RESOLUTION 03-11-02

RESOLUTION 03-11-02 authorizes the execution of a Moving to Work Demonstration Program "Sixth Year Plan" Agreement with the Department of Housing and Urban Development

WHEREAS, on January 13, 1999, HUD and the Authority signed an MTW Agreement which provides the Housing Authority of Portland with the authority to investigate and adopt new policies and to flexibly use HUD funding to maximize the effectiveness of this important resource; and

WHEREAS, on November 18, 2003 the HAP Board of Commissioners conducted a public hearing on the plan; and

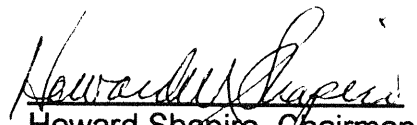
WHEREAS, written comments will be accepted until November 26, 2003 on the Plan; and

WHEREAS, HUD has requested that the Housing Authority of Portland Board of Commissioners authorize the execution of its Sixth Year Plan.

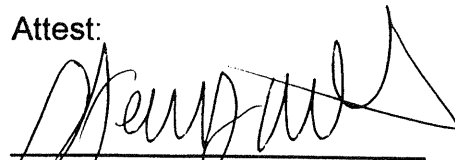
NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of Portland that the Chair of the Housing Authority of Portland is authorized to enter into and execute this Moving to Work Agreement Sixth Year Plan with the Department of Housing and Urban Development unless the written comments contain information that could materially change the Plan. If this occurs HAP's Executive Committee would then review the Plan prior to submitting it to HUD.

Adopted: November 18, 2003

HOUSING AUTHORITY OF PORTLAND


Howard Shapiro, Chairman

Attest:


Steven D. Rudman, Secretary